



3PL GLOSSARY

Key fulfillment terms and verbiage



3PL - Colloquial abbreviation for "Third Party Logistics."

Barcode - A square or rectangular image consisting of a series of machine-readable parallel black lines and white spaces representing numerals and characters. Barcodes are applied to products as a means of quick identification.

Batch Picking - Strategy in warehousing which usually consists of multiple similar orders (5-20 orders) that are consolidated into a single picking list. Adopting this batch-picking strategy helps improve operational efficiency by reducing the number of repeated trips a picker has to make.

Bill of Lading - A legally binding document that serves as a receipt given by the carrier of the shipment to the recipient. It provides details like the type, quantity, and destination of the goods being carried.

Bill of Materials - A comprehensive list of the materials, components and parts required to manufacture or repair a product, showing names, quantities, descriptions and cost as well. Multilevel BOMs also show subassemblies and their component

Billing Schedule - Outlines the predetermined dates and terms for invoicing and payment between businesses or individuals. These schedules help establish clear expectations for when payments are due, ensuring smooth financial transactions and cash flow management.

Blind Receiving - A receiving process where no reference information such as advance ship notice or purchase order is used to process the receipt - which means blind receipt.



Consignee - End recipients of an order. They are the party scheduled to receive goods from the consignor. Speaking of 3PLs, they are only considered as a middle party, The consignee would be the party serving as the final touch point of that item after it leaves the care of the 3PL provider.

Consignor - An independent owner who transfers goods to the consignee for sale on their behalf. The consignor keeps the title/ownership of the property until it is transferred to or sold to the final party.

Cross Dock (Cross Docking) - The movement of goods within a warehouse facility without entering permanent storage, usually moving from one shipping container or truck to another.

Crossdocking - Process of receiving products through an inbound dock and transferring them to the outbound transportation doc

Cubing - Determining the dimensions and weight of items, boxes, and pallets for effective inventory placement and space utilization

Custom Labeling - The work of a private third party to prepare goods for shipment by affixing a trading partner-specific shipping label to individual orders. When providing this service, it is the responsibility of the 3pl to remain compliant with any documentation, routing, invoicing, or manifesting requirements of the retailer



Customs Clearance - Managing the complex systems and documentation required to receive goods from overseas including but not limited to: duties, taxes, quarantines, inspections and eventual approval by the destination country for entry and distribution.

Cycle counting - A regular count of select SKUs as a QC check of client inventory record vs. on-hand inventory



Delivery Confirmation - Notice of delivery of a last-mile package. May include verified signature or picture confirmation depending on ship method. Confirmation provides assurance to both senders and recipients, that packages reach their intended destination.

Dock-to-Stock Time - The duration between the arrival of an inbound shipment at the warehouse dock and its placement in the appropriate storage location.

Drop Shipping - Fulfillment services performed by a 3pl for goods purchased directly from a manufacturer, retailer, or other trading partner.

eCommerce Fulfillment - Receipt, storage, and shipment of merchandise sold online by a digitally native retail brand. eCommerce fulfillment could also entail repackaging, labeling, or drop shipping as described above.

Freight Broker - Individual logistics provider who acts on behalf of a brands, retailers, and fulfillment companies, to negotiate freight rates with parcel carriers and trucking companies.

Freight Forwarder - A company that receives or coordinates pickups of bulk shipments before passing all or a portion onto another carrier. The focus of the freight forwarder is on the transition of goods from ocean/rail to ground for the last leg of bulk transit.

Freight Tracking - Locating merchandise that is in transit, usually by means of a parcel carrier tracking number. Tracking numbers are issued to all parties associated with a given order (retailer, consumer, 3pl, etc) at the time a package is inducted into said parcel carrier's delivery network. Users are provided new event updates and activity notifications at each stage of distribution.

Full Truck Load (FTL) - Refers to a full tractor trailer truckload. The term is used to distinguish high volume or consolidated shipments from smaller ones.



Green Logistics- The concerted effort within the logistics and supply chain management sectors to minimize the environmental impact of their operations. It encompasses a range of practices aimed at reducing carbon footprints, conserving energy, recycling materials, and implementing eco-friendly processes.

Handling Rates- Charged upon receipt of goods into a warehouse facility, consisting of costs not related to product or shipping. It covers the cost of fulfillment-related charges, such as picking, put-away, warehouse storage costs, etc.

Inbound Order Accuracy - The percentage of inbound orders that are received without any errors or discrepancies.

Less-than-Truckload (LTL) - Refers to a partial, or less-than-full truckload shipment. LTL freight may sometimes require specialized handling and loading.

Lien Rights - The legal authority of 3PLs where, if unpaid, they have the right to retain client inventory until payment is completed.

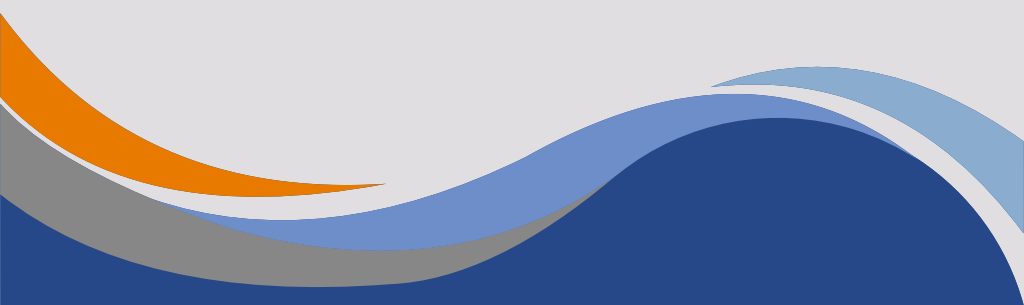
Limits of Liability - Refers to the maximum liability a party may recover from the 3PL provider if negligence is the cause of loss/damage.

Omnichannel Fulfillment - Describes the way in which a warehouse accepts and fulfills orders through multiple channels - including (but not limited to) ERP, marketplaces, manual orders, etc.

Order Fulfillment is the act of packaging and staging merchandise for distribution and shipping after an order has been placed, usually (but not always) by individual consumers for home delivery.

Pallet in/Pallet Out - PIPO means the receiving, storing, and shipping of complete pallets i.e. shipping them in the same state as they were received.

Pick and Pack - End-consumer sales orders that are picked per item, and packed into shippable cartons - usually a residential home address.



Rate of Returns - The rate of returns is the percentage of inbound shipments that are sent back to the supplier due to damages, errors, or other issues.

Reverse Logistics - All reverse-course operations. These can include recycling efforts, reclamation of raw materials, retail returns and refurbishment efforts, and more.



Rewarehousing - The movement of goods from one facility to another within a 3PL warehousing network to improve handling efficiency.

Supplier lead time - Also known as “turnaround time” - the length between receipt of an order and label creation/carrier induction.

Supply Chain - General term for the various stages of product delivery, from production to shipping and delivery.

Value Added Services - Services that go beyond typical warehousing, including negotiation of freight rates, repackaging and rebranding, kitting and assembly, and more.

Warehousing - Storage of merchandise for future shipment. Can be customized to meet the unique requirements of the type of product

White Glove Delivery - Carrier who specializes in handling goods with extra care to avoid damage.

